



Entered on Docket
July 03, 2007

A handwritten signature in dark ink, appearing to read "Linda B. Riegle".

Hon. Linda B. Riegle
United States Bankruptcy Judge

ALAN R. SMITH, ESQ.
Nevada Bar No. 1449
KEVIN A. DARBY, ESQ.
Nevada Bar No. 7670
Law Offices of Alan R. Smith
505 Ridge Street
Reno, Nevada 89501
Telephone (775) 786-4579
Facsimile (775) 786-3066
Email: mail@asmithlaw.com

Attorney for Lenders Protection Group
and Donna Cangelosi

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

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In Re:
USA COMMERCIAL MORTGAGE
COMPANY, et al.

Debtors.

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

JOINTLY ADMINISTERED
Chapter 11

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

**RECOMMENDATION FOR
WITHDRAWAL OF REFERENCE
PURSUANT TO 28 U.S.C. § 157(d)**

Hearing Date: June 20, 2007
Hearing Time: 10:30 a.m.

This Court, having held a hearing on June 20, 2007, to determine whether it has subject matter jurisdiction to adjudicate various disputes between Compass USA SPE, LLC and Compass Financial Partners (collectively "Compass") and various direct lenders/investors in

Debtor USA Commercial Mortgage Company, including Donna Cangelosi, the Lenders Protection Group and numerous direct lender Nevada limited liability companies (all such direct lenders shall collectively be referred to as the "Direct Lenders"), as presented to this Court in:

(a) the *Emergency Motion Of Compass Financial Partners LLC For Order Pursuant To 11 U.S.C. §§ 105 And 1141 Enforcing Confirmation Order And For Civil Contempt* (the "Compass Motion") filed on May 25, 2007; and

(b) the *Complaint For Declaratory Relief And Damages*, filed on May 21, 2007, by various Direct Lenders against Compass in the United States District Court For The District Of Nevada as Case No. 07-CV-0224-ECR-VAC (the "Direct Lenders' Action"), which was purportedly "removed" to this Court by Compass on May 25, 2007;

and, this Court having found (pursuant to a separate order) that it has subject matter jurisdiction pursuant to 28 U.S.C. § 1334 to adjudicate disputes between Compass and Direct Lenders as presented in the Compass Motion and the Direct Lenders' Action, this Court further finds that these disputes are appropriate for a withdrawal of the reference pursuant to 28 U.S.C. § 157(d), and therefore:

This Court hereby recommends that, pursuant to 28 U.S.C. § 157(d), the United States District Court For The District Of Nevada withdraw the reference of all disputes between Compass and Direct Lenders to this Court, including the Compass Motion and the Direct Lenders Action, and that all such disputes between Compass and Direct Lenders be heard and adjudicated by the District Court.

SUBMITTED by:
LAW OFFICES OF ALAN R. SMITH

By: /s/ Alan R. Smith
ALAN R. SMITH, ESQ.
Attorneys for Lenders Protection Group
and Donna Cangelosi

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